

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E. Director

Oil Conservation Division

March 20, 2006

Bass Enterprises Production Company P.O. Box 2760

Midland, TX 79702

Attn: Cindi Goodman or To Whom It May Concern

Shut-In order for an oil well operated by Bass Enterprises Production Company:

Poker Lake Unit # 236, located in Unit H of Section 19, T-24-S R-30-E, 1555' FNL & 125' FEL, Eddy Co., NM API # 30-015-34419

Please note that under Rule 40, the OCD may approve your APD's to drill. However, under Rule 40 if you are out of compliance when the well is completed, we cannot approve an allowable for this well. You may regain compliance by properly TA, P&A, return the out of compliance wells back to production, or enter into an Agreed Compliance Order ("ACO") with the OCD to return these wells to compliance within a certain time frame. If you choose an ACO, please contact Gail MacQuesten with our Santa Fe Office at (505) 476-3451.

By the rules and regulations of NMOCD Rule 40, this well is to be shut-in March 20, 2006.

Respectfully Yours,

Ohn G. And

Bryan G. Arrant

District II Geologist-Artesia

505-748-1283 ext 103

CC:

Tim Gum, District Supervisor-Artesia

Daniel Sanchez, Enforcement & Compliance Manager-Santa Fe

Gail MacQuesten, Legal Council-Santa Fe

Shell Trading US Co Sid Richardson

Well File

To:

Mark Fesmire, Director of OCD

From:

Gail MacQuesten, Legal Services Bureau

EC:

Chris Williams
Tim Gum
Charlie Perrin
Daniel Sanchez
Cheryl O'Connor

Re:

Bass Enterprises Production Co., OGRID 1801

Inactive wells

Date:

March 20, 2006

Attached for your review and approval is an inactive well agreed compliance order for Bass Enterprises Production Co.

As of today's date, Bass operates 296 wells, and 7 appear on the inactive well list as inactive for 15 months or more. Most of those inactive wells are located in the Artesia District.

The ACO covers12 wells, to include wells that will fall out of compliance in the next few months.

The ACO uses the rolling 6-month format, and calls for Bass to bring 4 wells into compliance in each 6 month period.

Thanks- Gail